

**Minimum Requirements for Standby Letters of Credit issued to
the Michigan Department of Natural Resources**

S A M P L E

FINANCIAL INSTITUTION LETTERHEAD and ORIGINAL DOCUMENT
No Photocopies are accepted

IRREVOCABLESTANDBY LETTER OF CREDIT # _____

Issue Date: _____

Expiration Date: _____

Program: _____ **(example: Timber, Oil & Gas, Metallic Minerals, Non-Metallic Minerals or
Underground Gas Storage)**

Director, Department of Natural Resources
C/o Forest, Mineral and Fire Management
P.O. Box 30452
Lansing, Michigan 48909-7952

We hereby issue our Irrevocable Letter of Credit No. _____ in your favor on behalf of _____
_____ located at _____, hereinafter
known as the Company/Individual, for a sum of \$ _____, (_____ and no/100
dollars), available by your drafts at sight drawn on our institution, **(name and address of financial institution)**
_____.

Drafts must be marked "Drawn under **(name of financial institution)** _____ Letter of Credit
No. _____." We are a bank or financial institution which has the authority to issue Letters of Credit. Our Letter of
Credit operations are regulated and examined by _____.

This letter of Credit is irrevocable and transferable without charge upon receipt of your written instructions.

This letter is issued to provide financial assurance to the State of Michigan and the Director of the DNR for the compliance of
the above stated program pursuant to Act 451 of the Public Acts of 1994, as amended.

It is a condition of this Letter of Credit that it shall be automatically extended, without amendment, for one year from the
present or any future expiration date, unless one hundred twenty (120) days before any expiration date, we notify the
Company/Individual and the Director of the DNR by Certified Mail of our election not to consider this Letter of Credit renewed
for any such additional period. We agree that the 120 day period shall begin on the date when both the Company/Individual
and the Director have received the notice, as evidenced by the return receipts.

The Director or an authorized DNR representative may draw on this Letter of Credit in the event that; (1) the
Company/Individual has failed to meet contractual obligations determined by the Department or; (2) the Company/Individual
fails to provide the Director with an extension of this Letter of Credit or with an acceptable replacement Letter of Credit or
other financial assurance not less than sixty (60) days prior to the expiration date of this Letter of Credit.

Partial drawings are permitted. This original Letter of Credit must be submitted to us together with any drawings hereunder
for our endorsement of any payments effected by us and/or cancellation. Issuer agrees to replace this original Letter of
Credit in the event that it is lost, stolen, mutilated or destroyed with one marked as a true copy or replacement.

This Letter of Credit is issued subject to the International Standby Practices 1998 (ISP 98) and the laws of the State of
Michigan.

We engage with you that drafts drawn in conformity with the terms of this Letter of Credit will be duly honored upon timely
presentation at this office.

Authorized Financial Institution Signature and Title